

# **HEALTH SERVICES AND DEVELOPMENT AGENCY**

## **MINUTES\***

### **APRIL 25, 2012**

#### **AGENCY MEMBERS PRESENT**

Koella, Carl, III, Chair  
Johnson, D. Lynn, Vice-Chair  
Burns, Charlotte  
Doolittle, Robert S.  
Haik, Barrett, M.D.  
Lammert, Gregory  
Southwick, William  
Wright, James  
Gaither, Keith, designee for the TennCare Director  
Jordan, Lisa, designee for the Commissioner of Commerce and Insurance  
Weaver, Faye, designee for the Comptroller of the Treasury

#### **AGENCY STAFF PRESENT**

Hill, Melanie, Executive Director  
Bobbitt, Melissa, Administrative Services Assistant III  
Christoffersen, Jim, General Counsel  
Craighead, Alecia, Statistical Analyst III  
Farber, Mark, Assistant Executive Director  
Finchum, Rhonda, Director of Administrative Services  
Wells, Phil, Health Planner III

#### **COURT REPORTER**

Kidd, Ed

#### **GUESTS PRESENT**

Babbs, Janice, Vanderbilt University Medical Center  
Bolton, Keith, M.D., Specialty Surgery Centers of America  
Brent, Michael D., Esq., Bradley Arant Boult Cummings, LLP  
Brewer, Mary, Tennessee Department of Health  
Boyd, Rose, Tennessee Department of Health  
Chabrew, Jaysan, Analyst, Outpatient Imaging Affiliates, LLC  
Chipman, Kim, CCO, CPC  
Duncan, Bruce, Vice President, National HealthCare Corporation  
Elrod, Dan H., Esq., Miller & Martin  
Gooch, Warren L., Esq., Kramer Rayson, LLP  
Hilgenhurst, Debbie, Precision Pain Care  
Hilgenhurst, Graf, M.D., Precision Spine Center  
Hill, Ronald, Vice President, Strategic Development, Vanderbilt University Medical Center  
Houchin, Barbara, Executive Director, Planning, Saint Thomas Health Services  
Huggins, Mike, Senior Executive Consultant, Tennessee Hospital Association  
Lambdin, Leeann, Planning, St. Thomas Health Services  
Looney, Kim Harvey, Esq., Waller Lansden Dortch & Davis  
Luchessi, Jane, Memorial Hospital

Moore, Carl

Ockerman, Jeff, Director, Division of Health Planning, Tennessee Department of Finance & Administration

Reed, Ann, R., RN, BSN, MBA, Director of Licensure, Div. of Health Care Facilities, Tenn. Dept. of Health

Rolfe, Billy, PVP, United Surgical Partners International

Scarvey, Tim, Senior Vice President, HCA TriStar Health System

Spitler, Kenny, President, MedFocus, Inc.

Sternberg, Paul, M.D., Assistant Vice Chancellor, Vanderbilt University Medical Center

Stewart, Robert, M.D.

Swift, Nick, CFO, Maury Regional Medical Center

Tally, Sarah Lodge, Esq., Miller & Martin

Taylor, Jerry W., Esq., Farris, Mathews, Bobango, PLC

Trauger, Byron R., Esq., Trauger & Tuke

Watson, H. Alan, Senior Vice President/Chief Operating Officer, Maury Regional Medical Center

Wellborn, John L., Consultant, Development Support Group

Wieck, Joseph A., M.D., Premier Orthopedics

**Chairman Koella called the meeting to order at 8:30 a.m. in Meeting Room 12 of The Legislative Plaza, Nashville, Tennessee.**

### **DIRECTOR'S ANNOUNCEMENTS**

Melanie Hill, Executive Director, made general announcements regarding the following: 1) instructions for providing testimony; 2) the number of applications to be heard at upcoming meetings -- eight (8) for May, five (5) for June, and possibly four (4) for July; 3) May through December meetings will be held in Room 12 at the Legislative Plaza; 4) Audit Committee will meet immediately after the conclusion of this meeting.

**STATE HEALTH PLAN UPDATE** – Jeff Ockerman, Director, Division of Health Planning, Department of Finance & Administration discussed the status of the state health plan.

### **CERTIFICATE OF NEED APPLICATIONS**

*Mark Farber summarized the following CON applications:*

#### **Maury Regional Ambulatory Surgery Center, LLC - (Spring Hill, Maury County) - Project No. CN1111-046**

The establishment of a multi-specialty ambulatory surgical treatment center (ASTC). The ASTC will include two (2) operating suites and two (2) procedure rooms, and will be managed and staffed by Vanderbilt University Medical Center. No major medical equipment will be involved. The proposed facility is to be located in a medical office building at the intersection of Saturn Parkway and Port Royal Road, South of Reserve Boulevard in Spring Hill, Tennessee in Maury County. A street address is not yet assigned to the property. Project Cost \$7,894,178.00.

### **DEFERRED FROM THE FEBRUARY MEETING**

Dan H. Elrod, Esq., representing the applicant, addressed the Agency. Speaking in support of the project were: Robert Stewart, M.D.; Paul Sternberg, M.D., Assistant Vice Chancellor, Vanderbilt University Medical Center; H. Alan Watson, Senior Vice President/Chief Operating Officer, Maury Regional Medical Center; and Ronald Hill, Vice President, Strategic Development, Vanderbilt University Medical Center. Present in support were: Nick Swift, CFO, Maury Regional Medical Center; and Sarah Lodge Tally, Esq.

Speaking in opposition were: Jerry W. Taylor, Esq., representing HCA TriStar Health System; and Keith Bolton, M.D., Specialty Surgery Centers of America.

Mr. Elrod rebutted.

Mr. Taylor provided summation for the opposition.

Mr. Elrod provided summation for the applicant.

Ms. Burns moved for approval of the project with the following **CONDITION: limitation of two (2) operating rooms and one (1) procedure room**. 1) Need –There is a need, the services are not currently provided in this area and it does support the fact that more surgical procedures are being done in an outpatient setting; 2) Economic Feasibility – The project is economically feasible based upon cash reserves and the real estate plan that is being planned; and 3) The project does contribute to the orderly development of adequate and effective health care as it provides needed and additional services to this community and it will have little or no impact on the current providers because services are not currently being provided in the area. Ms. Weaver seconded the motion. The motion CARRIED [11-0-0]. **APPROVED**

AYE: Jordan, Wright, Burns, Doolittle, Lammert, Johnson, Gaither, Weaver, Haik, Southwick,  
Koella

NAY: None

*Mr. Ron Hill addressed the Agency in appreciation of calls, cards, etc., and the moment of silence in honor of his son, Eric.*

#### **Interventional Pain Physicians Surgery Center - (Smyrna, Rutherford County) - Project No. CN1201-001**

The establishment of a single-specialty ambulatory surgical treatment center (ASTC) in a medical office building. The facility will be licensed by the Department of Health as an ambulatory surgical treatment center limited to pain management, with one (1) surgical procedure room. The project does not contain major medical equipment or initiate or discontinue any other health service; and will not affect any facility's licensed bed complements. Project Cost \$844,622.00.

Byron R. Trauger, Esq., representing the applicant, addressed the Agency. Graf Hilgenhurst, M.D., Precision Spine Center, spoke in support. Present in support were: Debbie Hilgenhurst, Precision Pain Care; Kenny Spitler, MedFocus, Inc.; and John L. Wellborn, Consultant.

Ms. Jordan moved for approval of the project based on: 1) Need – the need for this single-specialty ASTC has been established based on the doctor being forced to perform a large number of ambulatory surgical procedures in his office procedure room so as not to interrupt his work flow; 2) Economic Feasibility – The project is economically feasible through a commercial construction loan; and 3) The project does contribute to the orderly development of adequate and effective health care by allowing Dr. Hilgenhurst to perform procedures on high risk patients in a more operationally efficient, and cost effective facility. **CONDITION: Single specialty ASTC limited to pain management**. Mr. Doolittle seconded the motion. The motion CARRIED [11-0-0]. **APPROVED**

AYE: Jordan, Wright, Burns, Doolittle, Lammert, Johnson, Gaither, Weaver, Haik, Southwick,  
Koella

NAY: None

#### **GENERAL COUNSEL'S REPORT**

*Jim Christoffersen summarized the following CON modification requests:*

#### **Premier Orthopaedic Surgery Center - (Nashville, Davidson County) - Project No. CN0211-116A**

Request to remove condition related to the limitation of ownership. This project was approved on March 26, 2003 for the establishment of a two (2) operating room ambulatory surgical treatment center (ASTC) and the initiation of outpatient surgery services with the following condition: Services are to be limited to orthopaedic surgery procedures and pain management procedures that are directly related to orthopaedic procedures. The ownership of this entity is limited to the physicians and/or their equity interest and that of employees of the center. The facility is not allowed to expand beyond two (2) operating rooms and one (1) additional, non-sterile procedure room.

Kim Harvey Looney, Esq., representing the applicant, addressed the Agency about the changed conditions since the condition had been placed on the certificate. Jerry W. Taylor, Esq. and Joseph A. Wieck, M.D. were present in support.

Mr. Southwick moved for removal of the condition limiting the ownership to the physicians and/or their equity interest and that of employees of the center. Mr. Johnson seconded the motion. The motion CARRIED [11-0-0]. **APPROVED**

AYE: Jordan, Wright, Burns, Doolittle, Lammert, Johnson, Gaither, Weaver, Haik, Southwick,  
Koella  
NAY: None

### **CONTESTED CASE**

Mr. Christoffersen provided an update on contested cases.

### **MINUTES**

The minutes of the March 28, 2012 meeting were accepted by unanimous voice vote.

### **OTHER BUSINESS**

The Health Services & Development Agency's Audit Committee met immediately meet after the conclusion of the regular HSDA monthly meeting in a confidential, nonpublic executive session, pursuant to T.C.A. 4-35-108(b) (3), in which the draft of the Comptroller's Performance Audit and the Health Services and Development Agency's response (to the draft audit) will be discussed.

### **ADJOURNMENT**

There being no further business, the meeting adjourned.

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Melanie M. Hill, Executive Director

MMH/mab

\*The HSDA maintains a detailed record of each meeting (recording and transcript) that is available upon request by contacting the HSDA office at (615) 741-2364.